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Electronically Recorded Official Public Records

Tarrant County Texas

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Suzanne Henderson

Submitter: SIMPLIFILE



HARDING COMPANY 13465 Midway Road, Suite 400 Dallas, Texas 75244

Submitter: HARDING COMPANY

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

ELECTRONICALLY RECORDED BY SIMPLIFILE Bozas, Ricardo et ux, Maria CHKO1174

Ву: ______

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW. NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

ICode: 13764

PAID-UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this day of Nound (2005), and between Ricardo M. Bozas and wife, Maria C. Bozas whose address is 505 Sunlight Drive Arlington, Texas 76006, as Lessor, and HARDING ENERGY PARTNERS, LLC, a Texas Ilmited liability company, 13465 Midway Road, Suite 400, Dallas, Texas 75244, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leads the preprinter cells leaved the propriets:

land, hereinafter called leased premises:

See attached Exhibit "A" for Land Description

in the County of <u>Tarrant</u>, State of TEXAS, containing <u>0.167</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of [5] five years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

2. This lease, which is a "pad-up" lease requiring no rentals, shall be in force for a primary term of 19 five years from the date herebit, aint of as folly are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be 25.00% of such production, to be delivered at Lessee's option to Lessor at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be 25.00% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field for if there is no such price then privaling in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil o

otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the lessed premises or lands pooled therewith, no shuffer or between the device to the until the next of the 90-bit part of the 150-bit part of the 150-b

such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 after Lessor has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of

in accordance with the net acreage interest retained hereunder

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, the control of the control of

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

CESSOR (WHE THER ONE OR WORL)	$L \rightarrow \mathcal{O}$
Licando M. Bozas	Musia C: Bozas
hetis filos	Mario la Baser
Lessor	Lesson
	ACKNOWLEDGMENT
STATE OF TEXAS COUNTY OF TAFFAN T	
This instrument was acknowledged before me on the	the day of Novembro 04 by Ricardo M. Bozag
JAMES DAVID YOUNG	Notary Public, State of Texas Notary's name (printed):
Notary Public, State of Texas My Commission Expires	Notary's commission expires:
June 08, 2011	
STATE OF TEN	ACKNOWLEDGMENT
COUNTY OF AN TANT This instrument was acknowledged before me on the	Hydrighton C. Boths,
THE PAYER PAYER VOUNE	Notary Public, State of Towns Notary's name (printed): Jumes Daylo long
JAMES DAVÍD YOUNG Notary Public, State of Texas	Notary's commission expires
My Commission Expires	/0/0/11
June 08; 2011	CORPORATE ACKNOWLEDGMENT
COUNTY OF	(
This instrument was acknowledged before me on the a corpor	day ofof ation, on behalf of said corporation.
	Natas Public Contract Tours
	Notary Public, State of Texas Notary's name (printed):
	Notary's commission expires:
	DECORDING INFORMATION
STATE OF TEXAS	RECORDING INFORMATION
County of	
This instrument was filed for record on the	day of, 20, ato'clockM., and dulyrecords of this office.
recorded in Book, Page, of the	records of this office.
	Ву
	Clerk (or Deputy)

Page 4 of 4

Exhibit "A" Land Description

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated the 44 day of November, 2009, by and between, HARDING ENERGY PARTNERS, LLC, a Texas limited liability company, as Lessee, and Ricardo M. Bozas and wife.

Maria C. Bozas as Lessor.

From time to time Lessee may determine that some part or all of the Leased Premises should be more specifically described, in which case Lessor agrees to execute any substitute Lease(s) or correction to Lease(s) tendered by Lessee for such re-description.

0.167 acre(s) of land, more or less, situated in the H. Weatherford Survey, Abstract No. 1650, and being Lot 6, Block 30, Foster Village, Section 5, an Addition to the City of Watauga, Tarrant County, Texas according to the Plat thereof recorded in Volume/Cabinet 388-117, Page/Slide 18 of the Plat Records of Tarrant County, Texas, and being further described in that certain Special Warranty Deed with Vendor's Lien recorded on 01/09/1992 as Instrument No. D192007250 of the Official Records of Tarrant County, Texas.

ID: , 14610-30-6